

Executive Summary

The Iowa Judicial Retirement Fund

The market value of Iowa Judicial Retirement Fund (Fund) investments was \$81,717,018 on June 30, 2005. That is an increase of \$1,072,964 from the market value on March 31, 2005. For a year over year comparison, the portfolio increased \$3,210,561 from the market value on June 30, 2004. For the quarter, the Fund had an annualized return of 2.72% before fees. The quarterly performance of the Fund (before fees) ranked in the 24th percentile of all master trusts reporting to the Trust Universe Comparison Service (TUCS)¹. The performance was above that of the Policy Index, which had an annualized return of 2.30% for the quarter. (The Policy Index measures the performance of a strictly passive investment strategy, and is the weighted average return that would result if the Fund's assets had been allocated to the passive indices representing each asset class in the exact proportions established in the investment policy.)

The Fund earned an annual return after fees of 6.65% for the year ending June 30, 2005. This performance was above the policy goal of beating inflation by four percentage points (inflation was 2.42% for the one-year period) and below the actuarial interest rate assumption of 8%. The Fund performance for the one-year period was below the Policy Index return of 8.65%. The Fund's annual return (before fees) for the year ranked in the 86th percentile of all master trusts reporting to TUCS. Bank of New York became the new large cap stock manager on April 1, 2005. BNY had a quarterly return of 2.04%, which was a 59th percentile ranking in the equity accounts reporting to TUCS, versus the S&P 500 Index quarterly return of 1.37% (77th ranking). Vanderbilt, the fund's core plus fixed income manager, reported a 2.00% quarter return and was ranked 81st for all accounts reporting to TUCS. Vanderbilt was below the Lehman Bros. Universal benchmark's 3.10% quarterly return and the Lehman Aggregate's 3.01%. As of June 30th, Vanderbilt's one-year return was 6.20% compared to a 7.42% return by Lehman Bros. Universal and a 6.80% return by Lehman Aggregate. For the quarter ending June 30, 2005, Disciplined Growth Investors, the small cap growth stock manager, had a quarter return (gross of fees) of 7.08% versus a 4.32% rate of return for the Russell 2000. Disciplined Growth Investors' performance before fees ranked 3rd in the TUCS small cap growth universe. For the year ending June 30, 2005, DGI's rate of return was 4.76% and this ranked 80th in the TUCS small cap growth universe. Wasatch Advisors, the fund's small cap value, reported a 6.19% quarter return, which ranked 6th in the TUCS small cap value universe. Wasatch's benchmark is the Russell 2000 Value Index, which had a quarter return of 5.07% and placed 14th in the index of all accounts reporting to TUCS. For the year ending June 30th, Wasatch had a return of 13.84%, ranking them 22nd in the TUCS universe. UBS Global Asset Management, the international equities index manager for the fund, had a quarterly return of -1.47%, which ranked them 88th in the TUCS universe. UBS's benchmark is the MSCI EAFE Index, which experienced a quarter return of -1.01%. As of June 30th, UBS Global Asset Management had a one-year return of 12.76% compared to the MSCI EAFE Index's return of 13.65%.

For the three-year period, the Fund has earned an annualized return of 9.40% before fees. This performance is above the policy goal of beating inflation by four percentage points (inflation was 2.56% for the three-year period) and above the actuarial interest rate assumption of 8%. The Fund underperformed the Policy Index, which returned 9.81%. The Fund's performance ranks in the 59th percentile of all master trusts reporting to TUCS for the three-year period. Over the five-year period, the Fund has earned an annualized return of 4.28% before fees. This performance did not meet the policy goal of outperforming inflation plus four percentage points (6.36%) and fell below the Policy Index return of 4.67%. The Fund ranks in the 31st percentile of the TUCS universe of master trusts for the five-year period. The Fund's Sharpe Ratio, which measures excess return per unit of risk, for the five-year period was 0.14, which was less than the 0.25 Sharpe ratio for the Policy Index.

¹ Please note that other funds reporting to TUCS may be greatly larger or may have significantly riskier investment policies than the Fund.

JUDICIAL RETIREMENT SYSTEM
Executive Summary for the Quarter Ending June 30, 2005

The following table gives total time weighted returns and percentile rankings (in parentheses) for periods ending June 30, 2005. A ranking of 1 is best and 100 is the worst:

	Market Value	1 Quarter	1 Year	3 Years*	5 Years*	10 Years*	Since Inception
<u>TOTAL FUND</u>							
JRS - Before Fees	81,717,018.29	2.72	7.09	9.40	4.28	9.40	9.93 (7/31/88)
JRS - After Fees		2.62	6.65	8.97	3.94	9.05	9.53 (7/31/88)
Consumer Price Index		0.40	2.42	2.56	2.36	2.42	2.95 (7/31/88)
Consumer Price Index + 4%		1.40	6.42	6.56	6.36	6.42	6.95 (7/31/88)
JRS POLICY INDEX		2.30	8.65	9.81	4.67	N/A	N/A (7/31/88)
<u>LARGE CAPITALIZATION EQUITIES</u>							
BNY S&P 500 - gross of fees	24,029,239.22	2.04	N/A	N/A	N/A	N/A	2.04 (3/31/05)
BNY S&P 500 - net of fees		2.03	N/A	N/A	N/A	N/A	2.03 (3/31/05)
S&P 500		1.37	6.32	8.27	-2.38	9.93	1.37 (3/31/05)
Target Large Growth		1.75	2.05	6.77	-6.67	10.47	1.75 (3/31/05)
Russell 3000		2.25	8.06	9.46	-1.36	10.05	2.25 (6/30/94)
<u>SMALL CAPITALIZATION GROWTH</u>							
Disciplined Growth Investors - gross of fees	12,463,329.23	7.08	4.76	17.35	2.24	9.70	13.88 (2/28/93)
Disciplined Growth Investors - net of fees		6.87	3.93	16.42	1.52	8.87	13.04 (2/28/93)
Russell 2000		4.32	9.45	12.81	5.71	9.90	10.43 (2/28/93)
Target Small Growth		5.04	12.73	14.66	6.69	9.19	10.77 (2/28/93)
<u>SMALL CAPITALIZATION VALUE</u>							
Wasatch Advisors - gross of fees	7,744,713.48	6.19	13.84	14.27	N/A	N/A	15.58 (1/31/02)
Wasatch Advisors - net of fees		5.92	12.71	13.14	N/A	N/A	14.57 (1/31/02)
Russell 2000 Value Index		5.07	14.38	14.15	16.12	13.88	14.23 (1/31/02)
<u>CORE PLUS FIXED INCOME</u>							
Vanderbilt Investment Advisors - gross of fees	27,034,431.77	2.00	6.20	5.57	N/A	N/A	6.62 (10/31/00)
Vanderbilt Investment Advisors - net of fees		1.91	5.81	5.19	N/A	N/A	6.27 (10/31/00)
Lehman Bros. US Universal		3.10	7.42	6.56	7.62	6.99	7.43 (10/31/00)
Lehman Aggregate		3.01	6.80	5.76	7.41	6.83	7.12 (10/31/00)
<u>INTERNATIONAL EQUITIES</u>							
UBS Global Asset Mgmt - gross of fees	8,216,546.15	-1.47	12.76	N/A	N/A	N/A	17.34 (11/30/02)
UBS Global Asset Mgmt -net of fees		-1.66	11.91	N/A	N/A	N/A	16.48 (11/30/02)
MSCI EAFE (Net Dividends)		-1.01	13.65	12.06	-0.55	5.22	19.72 (11/30/02)
<u>LIQUIDITY</u>							
Cash	2,228,758.44	0.69	2.07	1.55	2.65	4.13	4.14 (2/28/93)
Merrill Lynch 90 Day Treasury Bill		0.72	2.15	1.55	2.62	3.97	4.02 (2/28/93)

* Annualized

Investment Managers fee for Fiscal Year 2005

Disciplined Growth Investors	\$ 96,075.57
Vanderbilt Investment Adv	\$ 97,930.67
Wasatch Advisors	\$ 76,880.28
Buck Consultants	\$ 35,500.00
UBS Global Asset Mgmt	\$ 63,911.16
Bank of New York	\$ 1,802.19
	\$ 372,099.86

Wasatch Investment Advisors

EXHIBIT C

Fee Schedule

On an annualized basis our fee, based upon the value of assets in the Investment Account, is as follows:

1.000% on the first \$30 million
0.850% on the next \$20 million

Investment management fees are computed quarterly in arrears. Custodian valuations are taken on the last day of each calendar quarter as the basis for computing fees. Payment will be made in accordance with the terms of Section 9 of the Agreement.

Disciplined Growth Investors

EXHIBIT C

QUARTERLY FEE SCHEDULE

ANNUAL FEE AS %
OF MARKET VALUE
OF FUND ACCOUNT

QUARTER-END
MARKET VALUE*

1.00 First
.75 Next

\$2,000,000.00
\$2,000,000.00 - \$15,000,000.00

* As calculated by the custodian bank (currently Boston Safe Deposit and Trust Co.).

Buck Consultants

Q. Fees and Expenses:*

	<u>Annual Dollar Amount</u>		
	Year 1 (9/1/98-8/31/98)	Year 2 (9/1/99-8/31/00)	Year 3 (9/1/00-8/31/01)
1. <u>Fee for Retainer-Services</u> (including all expenses) specified in Section II of the Contract	\$ 17,500	\$ 17,500	\$ 17,500
2. <u>Fee for Non-Retainer Services</u> (including all expenses)			
a. Conduct Manager, fund or product search	\$ 7,500	\$ 7,500	\$ 7,500
b. Any other service which the firm can provide but which is not considered by the firm to be included in services defined as retainer services above.	To be mutually agreed upon by both parties hereto.		

* To be adjusted for increases based on CPI-U as agreed upon by the parties hereto. Fees quoted are maximum amounts for each service. Treasurer and Contractor may negotiate a fee lower than the maximum amount shown based on the scope of service to be performed.

Bank of New York

Exhibit B

Fee Schedule

The Bank of New York is authorize to invest the Judicial Retirement funds in The Bank of New York Collective Trust S&P 500 Index Fund under the guidelines outlined in the Collective Trust Declaration of Trust dated 12/13/63 and amended 1/1/97, and that said guidelines are adopted to over see this investment.

The Bank of New York accepts this appointment under the following fee arrangement:

.03% on the balance.

The Judicial Retirement System also confirms the receipt of Federal Register/Vol60, No172/ Wednesday, September 6 1995/ Notices, which discloses that proper exemption was obtained for the fund to invest in BNY stock as an S&P 500 Index holding.

UBS Global Asset Management

EXHIBIT C

Fee Schedule

On an annualized basis our fee, based upon the value of assets in the Investment Account, is as follows:

- .85% on the first \$10 million
- .70% on the next \$15 million
- .60% on the next \$25 million
- .50% on the balance

Investment management fees are computed quarterly in arrears. Custodian valuations are taken on the last day of each calendar quarter as the basis for computing fees. Payment will be made in accordance with the terms of Section 9 of the Agreement. In recognition of multiple assignments, a relationship discount of 10% will apply to this Account so long as the Plan invests in more than one type of mandate managed by UBS Global Asset Management.

EXHIBIT C

VANDERBILT CAPITAL ADVISORS, L.L.C.

DOMESTICE FIXED INCOME INVESTMENT MANAGEMENT FEE SCHEDULE

OCTOBER 1, 2000

.40% on the first \$10 million
.35% on the next \$15 million
.30% on the next \$75 million
.20% on the next \$100 million
.15% on the balance

Invest management fees are compounded quarterly in arrears. Custodian valuations are taken on the last day of each calendar quarter as a basis for computing fees.